

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2020-4-G

June ²⁹~~2~~ 2020

IN RE: Annual Review of Purchased Gas Adjustment)
 and Gas Purchasing Policies of Piedmont) **SETTLEMENT AGREEMENT**
 Natural Gas Company, Inc.)

This Settlement Agreement is made by and between the South Carolina Office of Regulatory Staff ("ORS") and Piedmont Natural Gas Company, Inc. ("Piedmont" or "the Company") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, by Order No. 88-294, dated April 6, 1988, the Public Service Commission of South Carolina ("Commission") instituted an annual review of Piedmont's Purchased Gas Adjustment and Gas Purchasing Policies. Additionally, in Order No. 2002-223, dated March 26, 2002, in Docket No. 2001-410-G, the Commission required Piedmont to file regular reports on the status of its hedging program ("Hedging Plan") and the results of its hedging activities.

WHEREAS, the review period for the above-captioned docket is April 1, 2019 through March 31, 2020 ("Review Period");

WHEREAS, the Parties to this Settlement Agreement are the only parties of record in the above-captioned docket. There are no other parties of record in this proceeding;

WHEREAS, the Parties have engaged in discussions to determine if a settlement of this proceeding would be in their best interests and in the public interest;

WHEREAS, following those discussions the Parties each determined that their interests and the public interest would be best served by settling the above-captioned proceeding under the terms and conditions set forth below:

1. The Parties agree to stipulate into the record before the Commission the pre-filed direct testimony of Piedmont witness Todd Breece and the pre-filed direct testimony and exhibits of Piedmont witnesses Jeff Patton and MaryBeth Tomlinson without objection, change, amendment, or cross-examination by the Parties unless such is mutually agreed upon. The Company will present its witnesses at the hearing (to be conducted virtually per the Commission's June 5, 2020 *Order On The Scheduling Of Future Virtual Hearings And Other Related Events* in Docket No. 2020-106-A) and MaryBeth Tomlinson will testify in support of this Settlement Agreement.

2. The Parties agree to stipulate into the record before the Commission the pre-filed direct testimony and exhibits of ORS witness Daniel F. Sullivan and the pre-filed direct testimony of ORS witness Michael L. Seaman-Huynh without objection, change, amendment, or cross-examination by the Parties unless such is mutually agreed upon. ORS will present its witnesses at the hearing.

3. The Parties further agree that with the stipulated testimony of record and the agreement of the Parties regarding the Review Period activity and end-of-period account balances, the hearing record before the Commission will demonstrate the following: (i) Piedmont's gas purchasing policies and practices during the Review Period were reasonable and prudent; (ii) Piedmont properly adhered to the gas cost recovery provisions of its gas tariff and relevant Commission orders during the Review Period; (iii) Piedmont managed its Hedging Plan during the Review Period in a reasonable and prudent manner consistent with Commission orders; and

(iv) the end-of-period balance for Piedmont's deferred gas cost account and Piedmont's hedging account activity during the review period are reflected in the pre-filed direct testimony and exhibits of Piedmont witness MaryBeth Tomlinson.

4. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable, and full resolution of the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

5. The Parties agree that the act of signing this Settlement Agreement will not constrain, inhibit, or impair their arguments or positions in future proceedings. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

6. This Settlement Agreement shall be interpreted according to South Carolina law.

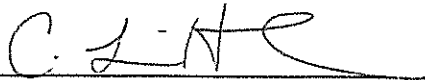
7. Each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the Settlement Agreement.

8. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any Party.

9. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

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